

PROPOSED OUTLINE FOR DCI'S SPEECH
to the
NATIONAL INDUSTRIAL CONFERENCE BOARD
October 24, 1957

- A. The Central Intelligence Agency was created by an act of Congress that came into force ten years ago, on September 18, 1947. This might be called an anniversary speech.
- B. The purpose of forming such an agency was to rectify past mistakes and provide for a more secure national future.
1. The cardinal point in the mind of Congress was avoidance of another Pearl Harbor through adoption of safeguards that had been notably lacking in December 1941. In spite of all other aspects of the present intelligence system, insurance against future Pearl Harbors remains one of its prime objectives.
 2. There have been no Pearl Harbors during the past ten years, but this has not made the intelligence system any less essential. The perilous post-war balance of power has been sufficient reason for the transformation of U. S. intelligence from an obscure function belonging to two or three government agencies to what amounts to a sine qua non of national policy.
- C. In essence, Section 102 of the National Security Act made two provisions: For a means whereby the work of all governmental organizations concerned with intelligence could be coordinated toward the single end of national security; and For a broadening of scope of U. S. intelligence through the creation of a new agency to perform functions on behalf of the rest where necessary.

(C.) 1. As to the first of these, Central Intelligence has gradually arrived at solutions in the form of:

- a. Estimates prepared for the NSC incorporating whatever conclusions the IAC considers valid on the basis of available evidence.
- b. 24-hour operation under the IAC for studying all reports of activity abroad for indications of approaching danger and for delivering warnings based on these indications.

2. As to the second, a few examples will suffice.

- a. Up to 1947 so many agencies were requesting foreign information from American citizens and institutions that their efforts threatened to do more harm than good. This activity was centralized under CIA and has been one of the most productive means of securing vital intelligence at our disposal. Its success has been mainly attributable to the patriotic cooperation of persons like yourselves and firms such as those you represent. You may be sure of continued discretion on the part of our people.
- b. Up to 1947 intelligence at the disposal of the government was filed in various inaccessible places without any central coordination. Now, through partial centralization of this material, and by use of ingenious modifications of business machines, such information can be brought together in a matter of minutes. In this case the remarkable ingenuity of American industry in employing machines to increase its

(C. 2. b.) profits was found to be beneficial for an apparently unrelated field.

c. Up to the war there had been no such thing as a concerted attempt to acquire economic intelligence as such, or to make a deliberate study of it in an attempt to assess the strength of foreign nations. Today the efforts of dozens of governmental components concerned with economic intelligence in a multitude of ways are coordinated through Central Intelligence to the end of providing a remarkably clear understanding of what our possible enemies can and can not do with respect to military and non-military economies. Here again we are deeply indebted to the cooperation of leaders in American business and industry.

d. Since August 6, 1945 when the atomic bomb was disclosed as a military weapon, there has been no doubt whatever that scientific intelligence would have to become a principal preoccupation of any major government. Under our intelligence system diverse activities pertaining to scientific intelligence have been centralized to the extent necessary to ensure maximum collection and analysis, and appropriate distribution. From the very beginning (Rabi Committee, 1946), the government has received aid from privately employed scientists and technicians.

D. In retrospect it might be said (with some exaggeration) that this system has worked because if it had not, none of us would be here tonight.

(D.) In any case the Central Intelligence system has certainly been tested over the past ten years in as dire circumstances as could be imagined for a peacetime intelligence agency. (And it may be added that peace provides, in some ways, a more stringent test for intelligence than war.) Some obvious examples would include the following:

1. Greece-Turkey, 1947. The infant Central Intelligence system had to report the situation brought about by the Communist-led civil war in Greece, the imminent British withdrawal from Greece, and the attempted Soviet intimidation of Turkey. It then had to make the best guess it could, backed by such evidence as it had, of consequences of any action that might be contemplated by the U.S.
2. The Berlin Blockade, 1948. Intelligence had the task of predicting this situation and divining the Soviet intentions after the existence of the blockade became evident. A decision on whether or not to force the issue was necessarily based on intelligence.
3. The Korean War, 1950. Intelligence had to provide information relative to the main issues successively facing the NSC: Whether the invasion was a probability in the circumstances of 1946-1950; exactly when it might be expected; and finally, after the invasion had taken place, what would be the consequences of inaction or action on the part of the U.S.
4. The Indochina and Formosa questions, 1954. With respect to both of these there were bleak choices between the risk of another world war and abject surrender to Communist aggression. The problem was complicated by the fact that both conflicts directly

(D. 4.) involved our allies rather than ourselves. Good intelligence was a prerequisite to finding any satisfactory settlement.

5. Near Eastern crises, 1948 to date. Ever since the NSC at its first meeting addressed itself to the problem presented by the Mediterranean, it has been necessary for intelligence to report, often urgently, on Near Eastern developments. In 1948-49 the central problem was the creation of Israel in the face of Arab opposition; in 1955-57 it was Soviet meddling in the affairs of Egypt and Syria. Any of these crises contained the possibility of war or of unacceptable Communist expansion.

E. The above incidents were cited, not in an attempt to assess any successes or failures on the part of the intelligence system, but to demonstrate the extent to which this system has been put to the test. We would not claim a batting average of 1.000 for our ten-year career in the big leagues, but we think that we definitely have a team of big-league caliber. We are confident of the future as we continue to develop and perfect the mechanism now at hand.